



County of Los Angeles CHIEF EXECUTIVE OFFICE

713 KENNETH HAHN HALL OF ADMINISTRATION
LOS ANGELES, CALIFORNIA 90012
(213) 974-1101
<http://ceo.lacounty.gov>

WILLIAM T FUJIOKA
Chief Executive Officer

Board of Supervisors
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First District

YVONNE B. BURKE
Second District

ZEV YAROSLAVSKY
Third District

DON KNABE
Fourth District

MICHAEL D. ANTONOVICH
Fifth District

October 12, 2007

To: Supervisor Zev Yaroslavsky, Chairman
Supervisor Gloria Molina
Supervisor Yvonne B. Burke
Supervisor Don Knabe
Supervisor Michael D. Antonovich

From: William T Fujioka
Chief Executive Officer

REPORT BY THE CHIEF EXECUTIVE OFFICER ON WATER SUPPLY SPECIAL SESSION LEGISLATION (RELATES TO ITEM NO. 47, AGENDA OF OCTOBER 16, 2007)

Item No. 47 on the October 16, 2007 agenda is a motion by Supervisor Antonovich: 1) directing the Chief Executive Officer to apprise your Board concerning the various proposals being considered by the Legislature and the Governor, with recommendations on which proposals the County should support or oppose, and to inform your Board on a weekly basis concerning the status of these State proposals; 2) directing the Director of Public Works to address the status of water conservation measures being implemented or considered by the County, particularly in the County's waterworks districts; and 3) identify conservation measures that the public can take to reduce water consumption, and apprise the Board in writing on a monthly basis concerning the County's overall efforts to reduce water consumption.

The following summary responds to the directive to the Chief Executive Officer to provide the status of existing Water Supply Special Session legislation and County positions taken on Water Supply Special Session legislation to date. In addition, information is included in this report from the Department of Public Works related to water conservation measures, as directed in the balance of the Board motion described above.

WATER SUPPLY SPECIAL SESSION

Background and Outlook

On September 11, 2007, Governor Schwarzenegger issued a proclamation calling the Legislature into extraordinary session to address: 1) legislation to protect, restore, and improve the reliability and quality of water supplies from the Sacramento-San Joaquin Delta; 2) legislation, including the development of new surface and groundwater storage, to address the short term and long term improvement of California's water management system; 3) legislation to appropriate funds from previously-approved State bond issues to address water resource management, water storage, groundwater, water quality, flood protection, and restoration of the Sacramento-San Joaquin Delta and other ecosystem projects; and 4) placement of a general obligation bond and, as necessary a lease revenue bond on an upcoming State ballot.

The urgency of this Special Session is related to current drought conditions within the State and a pending Federal Court ruling that current water pumping in the Sacramento and San Joaquin River Deltas violates Federal law by degrading the environment and jeopardizing the existence of endangered fish species such as the Delta Smelt. This action could severely impact the flow of water from Northern California to Southern California.

Since the issuance of the proclamation, partisan differences have emerged over the elements outlined in the Governor's proclamation. The Governor and Republican leaders have authored measures that appropriate funding from previously-approved State bond issues and provide for a comprehensive \$9.1 billion water supply reliability plan funded by the issuance of a bond measure to be placed on the ballot for consideration by the voters of the State. A major emphasis of the Republican version of the bond package is the inclusion of \$5.6 billion for water storage development projects including \$5.1 billion for the design, acquisition, and construction of three dams (two new facilities and expansion of one existing facility) in Colusa/Glenn, Fresno/Madera, and Contra Costa counties.

Democratic leaders also have authored bills that appropriate funding from approved State bond measures and provide for a \$6.8 billion bond package for placement on an upcoming ballot. The Democrat version of the bond package includes several elements of the Republican bond package, funded at different levels, including delta sustainability, water supply reliability, and conservation and pollution cleanup (described as resource stewardship and environmental restoration in the Republican version). The major differences in the Democrat's version of the bond package include an emphasis on funding categories for groundwater protection (\$1.1 billion) and water recycling programs (\$250 million). The Democratic bond package does not include funding for dams.

The issue of utilizing State bond funds for the construction of dams for the purpose of increasing surface storage is the center of the current Legislative debate. Democratic leaders have expressed concern that State bond funds should not be used for the construction of dams and surface storage facilities that may only benefit a particular region and such facilities should be financed by local water agencies. In addition, they have argued that there is sufficient existing surface storage capacity and that completion of such surface storage facilities would be years away and not address the State's shorter term water issues. The emphasis of the Democratic bond package continues to be on providing funding for local water supply reliability, groundwater protection, and water recycling programs. Republican leaders argue that the State's current and future water needs must include additional surface storage, in addition to conservation and recycling programs, to ensure water supply reliability and quality.

On October 10, 2007, Governor Arnold Schwarzenegger sent a letter to Legislative leaders outlining the critical need to construct dams to increase surface water storage as part of a comprehensive infrastructure plan to help solve California's water crisis. The attached press release (Attachment I) from the Governor's office includes the text of this letter to the Legislative leaders.

Senate President Pro Tem Don Perata indicated that he is considering an effort to get the Democrat's bond measure on the November 2008 ballot by gathering voter signatures instead of going through the Legislature. Republicans are considering their own signature-gathering drive, raising the possibility that voters would be faced with two ballot measures. Recent reports suggest that meetings are still underway that could lead to a potential Legislative compromise.

Legislation

As outlined in our October 5, 2007 Sacramento Update (Attachment II), **the County supports the passage of water supply legislation in the Water Supply Special Session to increase the reliability of State and local water supplies with appropriate infrastructure and equitable funding levels** and has taken positions on legislation consistent with existing County policy and the following principles:

- **Local Water Reliability and Conservation:** Preserve existing supplies and promote local supply reliability and conservation through various approaches including recycling, and groundwater recharge.
- **Protection and Improvement of Water Quality:** Protect and improve water quality including drinking water, groundwater, and urban storm water management.

- **New Water Supplies:** Create new water supplies using a variety of approaches including preservation of water by recycling, enhanced storage capacity through seismic retrofit of existing structures and increased utilization of spreading grounds and debris basins.
- **Conveyance and Local Storage:** Provide a reliable Statewide conveyance and local storage system to deliver water supplies to Southern California.
- **Bond Funding and Appropriations:** Authorize a significant level of water supply bond funding and appropriations consistent with the above principles.
- **Equitable Allocation Criteria for Regional Projects:** Allocate competitive grant funds primarily on the basis of population to State-recognized Integrated Regional Water Management regions.

There are five bills under consideration by the Senate and five bills under consideration by the Assembly as part of the Water Supply Special Session. The County's position and status of these bills is provided below. County staff from the Department of Public Works and a County contract advocate testified at the October 8, 2007 Senate Natural Resources and Water Committee hearing. Information related to specific amendments being requested by the County for "Support if Amended" positions is included in our October 5, 2007 and October 11, 2007 Sacramento Updates.

Senate Bills

County-supported SB 2X 1 (Perata, Machado and Steinberg), would appropriate a total of \$611 million in bond funding from Proposition 1E (2006), Proposition 84 (2006) and Proposition 50 (2002) to the Department of Water Resources (DWR) and State Department of Public Health for a variety of water-related projects, particularly related to the Sacramento-San Joaquin Delta.

Status: SB 2X 1 passed the Senate Natural Resources and Water Committee on October 8, 2007 by a vote of 5 to 1; passed the Senate Appropriations Committee on October 9, 2007 by a vote of 10 to 7; and is currently on the Senate Floor.

County-supported if amended SB 2X 2 (Perata, Machado and Steinberg), as amended on October 8, 2007, would enact the Clean Water Bond Act of 2008 which would authorize the issuance of \$6.8 billion in bonds for water supply reliability and environmental restoration.

Status: SB 2X 2 passed the Senate Natural Resources and Water Committee on October 8, 2007 by a vote of 5 to 1; passed the Senate Appropriations Committee on October 9, 2007 by a vote of 10 to 7; and failed on the Senate Floor on October 9, 2007 by a vote of 23 to 12. A motion to reconsider SB 2X 2 was granted.

No County position SB 2X 3 (Cogdill and Ackerman), would enact the Water Supply Reliability Bond Act of 2008 at a bond issuance level of \$9.1 billion. The major difference in the amounts of the two bond measures (SB 2X 2 and SB 2X 3) is the inclusion of \$5.6 billion for water storage development projects, including the construction of three Northern California dams, in SB 2X 3 and funding for Groundwater Protection (\$1.1 billion) and Water Recycling (\$250 million). There was no County position on SB 2X 3 due to lack of existing County policy on funding for the construction of dams for the purpose of surface storage. The Department of Public Works has indicated that the operation of these facilities will have a positive impact on water quality in the Delta and help ensure future delivery.

Status: SB 2X 3 failed passage in the Senate Natural Resources and Water Committee on October 8, 2007 by a vote of 4 to 2.

County-supported if amended SB 2X 4 (Cogdill and Villines) is similar to SB 2X 1 in content and would appropriate a total of \$553 million in bond funding from Proposition 1E (2006), Proposition 84 (2006), and Proposition 50 (2002) to DWR and State Department of Public Health for various water projects.

Status: SB 2X 4 failed passage in the Senate Natural Resources and Water Committee on October 8, 2007 by a vote of 4 to 2.

No County position SB 2X 5 (Wiggins) would appropriate \$5.3 million of the \$45 million available from Proposition 84 (2006) to the Department of Fish and Game for coastal salmon and steelhead fishery restoration projects and the Coastal Salmonid Monitoring Plan. No position was taken on SB 2X 5 as there is no direct applicability to the County of Los Angeles.

Status: SB 2X 5 passed the Senate Natural Resources and Water Committee on October 8, 2007 by a vote of 5 to 2; passed the Senate Appropriations Committee on October 9, 2007 by a vote of 11 to 6; and passed the Senate Floor on October 9, 2007 by a vote of 26 to 10. SB 2X 5 will now be considered by the Assembly.

Assembly Bills

No County position AB 2X 1 (Laird), AB 2X 2 (Laird), and AB 2X 3 (Laird) are spot bills, which currently state Legislative intent to: 1) enact a comprehensive delta sustainability, water reliability, and water quality general obligation bond act; 2) invest funding in programs and projects that improve the State's water supply and promote certain principles; and 3) review and adopt a comprehensive strategy to resolve issues of water supply reliability, ecosystem restoration, water quality, and levee system integrity.

Status: AB 2X 1, AB 2X 2, and AB 2X 3 are currently in the Assembly awaiting committee assignment.

County-supported if Amended AB 2X 4 (Villines) is identical to **SB 2X 4 (Cogdill)** which appropriates a total of \$553 million in bond funding from Proposition 1E (2006), Proposition 84 (2006), and Proposition 50 (2002) to DWR and State Department of Public Health.

Status: AB 2X 4 is currently in the Assembly awaiting committee assignment.

No County position AB 2X 5 (DeVore) would authorize the State Energy Resources Conservation and Development Commission to certify one new nuclear fission thermal reactor located at the site of an existing operating nuclear fission thermal power plant, if not less than 20 percent of the electricity generated by the reactor is dedicated to powering desalinization facilities to produce additional fresh water from salt water and the generating capacity of the reactor does not exceed 2,000 megawatts. There is no County position on AB 2X 5 due to the lack of existing County policy regarding the certification of fission thermal reactors or funding desalinization facilities.

Status: AB 2X 5 is currently in the Assembly awaiting committee assignment.

COUNTYWIDE WATER CONSERVATION MEASURES

The Department of Public Works (DPW) is currently engaged in implementing a myriad of countywide water conservation measures. On a continuous basis, DPW also analyzes the merits of additional conservation measures that may be implemented for the County or specifically in the County's waterworks districts. Their experience in working through water supply fluctuations, including similar drought conditions in the early 1990s, has enabled them to quickly identify potential conservation measures and be well positioned to understand implementation issues and ramifications.

As directed by your Board, the attached memorandum from the Director of Public Works (Attachment III) provides a status update on water conservation measures being implemented or considered by the County, and identifies specific conservation efforts that the public can implement to reduce their water consumption.

Consistent with your Board's direction, we will issue reports on the Water Supply Special Session on weekly basis, or as new information is made available, as part of our Sacramento Updates.

WTF:GK/LS:MAL
IGA:acn

Attachments

c: Executive Officer, Board of Supervisors
 County Counsel
 Department of Public Works



Office of the Governor

ARNOLD SCHWARZENEGGER
THE PEOPLE'S GOVERNOR

Attachment I

PRESS RELEASE

10/10/2007 GAAS:790:07 FOR IMMEDIATE RELEASE

Governor Schwarzenegger Outlines the Critical Need for Water Storage in Letter to Legislature

In a letter to legislative leaders, Governor Arnold Schwarzenegger today outlined the critical need for water storage reservoirs in a comprehensive infrastructure plan to help solve California's water crisis. The Legislature is currently considering proposals during the special session which the Governor called on September 11, 2007. The Governor has proposed a \$9 billion plan that includes \$5.1 billion for surface storage, including two new reservoirs and the expansion of one existing reservoir.

Below is the full text of the Governor's letter.

October 10, 2007

The Honorable Fabian Núñez
Speaker
California State Assembly
State Capitol
Post Office Box 942849
Sacramento, CA 94249-0046

The Honorable Don Perata
President pro Tempore
California State Senate
State Capitol
Room 205
Sacramento, CA 95814

The Honorable Michael Villines
Republican Leader
California State Assembly
State Capitol
Room 3104
Sacramento, CA 94249-0029

The Honorable Dick Ackerman
Republican Leader
California State Senate
State Capitol
Room 305
Sacramento, CA 95814

Dear Speaker Núñez, Senator Perata, Mr. Villines and Senator Ackerman,

As a water crisis slowly grips California cities and towns, we find ourselves embroiled in the most important debate on this issue since the State Water Project was built more than half a century ago. The question is not just which immediate steps should be taken to protect our great state, but how California's water infrastructure will serve future generations for many decades to come.

The most controversial element of the debate is the proposal to expand California's reservoir system. Opponents of building new reservoirs have used three major arguments to make their case: first, that California has plenty of reservoir capacity. Second, that we can solve California's growing water crisis with conservation and recycling. Third, that reservoirs should be paid for only by local water agencies, not the statewide public.

It is a fact that California's existing reservoirs are dangerously low this year. The capacity to store additional flood waters will provide us with tremendous flexibility and bring greater reliability to our state's water supply.

From October 2005 to September 2006, two reservoirs, Shasta and Folsom, released more than 6.5 million acre-feet

of water to the ocean because they did not have room to store flood flows from the Sacramento River. Flood waters stretched our aging levee system to the breaking point. Last year alone, 1.25 million acre-feet of water had to be released from Millerton Lake reservoir off the San Joaquin River because there was no room to store flood flows when the Sierra snowmelt collided with winter storms. Towns along the river, like tiny Firebaugh, were threatened with devastation.

In 2006, the State's major reservoirs released millions of acre-feet of flood waters, well beyond that needed for the environment or other beneficial purposes – and more than enough to fill the proposed new reservoirs at Sites and Temperance Flat, and an expanded Los Vaqueros. This water, had some of it been captured, could have been used to maintain water quality in the Delta, protect threatened fish populations and complete water deliveries to cities and farms when the Delta pumps were shut down to protect endangered fish.

Instead, due to drought conditions this year, the State's major reservoirs have 2.5 million acre-feet less in storage than normal for this time of year. Combine this low storage with drought conditions and reduced pumping from the Delta, and what you have are cities throughout California facing water rationing. Had my comprehensive water plan been in place, we would have started the 2007 water year with an additional 3.3 million acre-feet of water in storage, allowing us to deliver more water and better protect the ecosystem.

Conservation is key, but cannot solve California's growing water crisis alone.

Conservation cannot capture the Sierra snowmelt when it floods the Sacramento or San Joaquin River. There are no conservation measures that would have helped us benefit from the flood flows in 2005-06; that was simply a matter of limited space in our existing reservoirs.

However, conservation certainly must be a critical component of California's water future. The City of Los Angeles has grown by more than 1 million residents since 1975 and, with aggressive conservation efforts such as low-flow toilets and showerheads, still uses the same amount of water today that it did thirty years ago. California farmers and water suppliers have adopted state-of-the-art water conservation measures, such as micro-irrigation and satellite crop and soil moisture sensing systems to improve water management and irrigation practices. As a result, agricultural water use efficiency, measured in tons of production per acre-foot of water, has increased by nearly 40 percent since 1980.

There is certainly much more we can do to use water more efficiently, which is why I plan to sign Assembly Bill 715 to require low-flush toilets in new building construction, and why I proposed \$1 billion in funding for local conservation and water recycling programs as part of our bond package. But much more, even beyond conservation, remains to be done.

Estimates are that Los Angeles now saves more than 900,000 acre-feet per year in water through conservation compared to thirty years ago. As good as that is, it didn't prevent Mayor Villaraigosa from having to ask Los Angeles residents to cut back water usage by 10 percent this year because of water supply problems. Local officials in Los Angeles and San Diego counties recently considered denying permits for new housing developments because state and local water agencies cannot guarantee enough water to serve those homes. California's population is expected to reach 60 million over the next forty years. Conservation alone cannot possibly meet that demand.

The public has a strong interest in building new reservoirs.

Critics claim State government should not agree to build new reservoirs until private water users agree to pay for all or most of it. They point to former Governor Pat Brown and the State Water Project as a model to replicate. The fact is that the Legislature approved funding to build reservoirs and canals for the State Water Project before a single private contract was in place to pay for any portion of it. Government leaders then had a vision for California's water infrastructure needs, and they took the lead in building reservoirs knowing that local governments and water agencies would pay their share of the costs commensurate with the benefits they would receive.

But we can no longer afford to have our reservoirs and water supplies governed primarily by the needs of local water contractors. The fact is that we need reservoir capacity for flood control purposes, and we need a place to store water for environmental purposes, especially since our traditional storage – the Sierra snowpack – is less reliable due to climate change. Environmental water can be used to keep cold water flowing in rivers during spawning season for salmon. It can be used to keep drinking water safe from saltwater intrusion in the Delta. It can be used to make critical water deliveries to Central and Southern California when the pumps are idled to protect tiny Delta Smelt from extinction.

My proposal assumes that the public would own and benefit from up to half of the new capacity in the proposed reservoirs. Local beneficiaries would contract to pay for their share before a single public dollar was spent to begin building these facilities. That's more protection for an investment of public dollars than our predecessors gave when the State Water Project was first built.

California needs a balanced and comprehensive plan for our water future. While some want to limit the actions we take, I believe we must invest in a wide range of tools including expanded storage, new conveyance and conservation. The plan does not work if we don't have all three.

Sincerely,

Arnold Schwarzenegger



County of Los Angeles CHIEF EXECUTIVE OFFICE

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LOS ANGELES, CALIFORNIA 90012
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Attachment II

WILLIAM T FUJIOKA
Chief Executive Officer

October 5, 2007

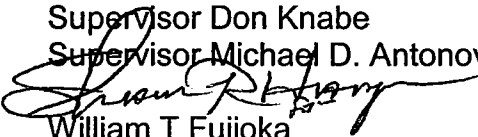
Board of Supervisors
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To: Supervisor Zev Yaroslavsky, Chairman
Supervisor Gloria Molina
Supervisor Yvonne B. Burke
Supervisor Don Knabe
Supervisor Michael D. Antonovich
From: 
William T Fujioka
Chief Executive Officer

SACRAMENTO UPDATE

OUTLOOK FOR WATER SUPPLY SPECIAL SESSION

The State Senate is leading the push to produce an agreement on a water package. According to a memo from Senator Perata to all Senators, the Senate Natural Resources and Water Committee will hear all of the Special Session water bills on Monday, October 8, 2007. The bills that pass out of Natural Resources and Water will be heard in Senate Appropriations on Tuesday, October 9, 2007 and a Senate Floor Session has been tentatively scheduled for Wednesday, October 10, 2007 to act on whatever is passed by Appropriations. As of today, the Assembly has only scheduled a subject-matter hearing on water issues for the afternoon of October 4, 2007.

The road to consensus on a water package continues to be difficult. Partisan divisions continue to be displayed in the debate. The biggest split appears to be over the necessity for, and advisability of, building three Northern California dams. Republican legislators support funding of specified Northern California dams and Democratic legislators remain opposed and support local water supply reliability and conservation efforts. Considerable debate also surrounds whether the water agreement should include what was called the Peripheral Canal, which was proposed in the early 1980s as another way to divert water south from the Sacramento River, and the Delta, but is now referred to as water conveyance. Finally, the Senate seems to be about \$4 billion below the Governor's proposed \$9 billion water bond package.

PURSUIT OF WATER SUPPLY POLICY AND PRINCIPLES

California is confronting a situation in which its water supplies may be curtailed by climate change and other environmental restrictions. This shortfall may be particularly pronounced in Southern California as a result of a recent court decision which would reduce the supply of water from Northern California by as much as 37 percent.

As the most populous county in California, Los Angeles County **supports the passage of water supply legislation in the special session to increase the reliability of State and local water supplies with appropriate infrastructure and equitable funding levels.** Consistent with this policy, the County supports the following principles:

- **Local Water Reliability and Conservation:** Preserve existing supplies and promote local supply reliability and conservation through various approaches including recycling, and groundwater recharge.
- **Protection and Improvement of Water Quality:** Protect and improve water quality including drinking water, groundwater, and urban storm water management.
- **New Water Supplies:** Create new water supplies using a variety of approaches including preservation of water by recycling, enhanced storage capacity through seismic retrofit of existing structures and increased utilization of spreading grounds and debris basins.
- **Conveyance and Local Storage:** Provide a reliable Statewide conveyance and local storage system to deliver water supplies to Southern California.
- **Bond Funding and Appropriations:** Authorize a significant level of water supply bond funding and appropriations consistent with the above principles.
- **Equitable Allocation Criteria for Regional Projects:** Allocate competitive grant funds primarily on the basis of population to State-recognized Integrated Regional Water Management regions.

These general principles were developed by my office in collaboration with the Department of Public Works (DPW). They are consistent with existing County policy to support legislation to a) improve the reliability of water imported into Los Angeles County; b) encourage water conservation and increase the efficiency of water use; and c) increase the use of recycled water within Los Angeles County contained in the State Legislative Agenda for the 2007-08 Session; and with the April 3, 2007 Report of the Infrastructure Task Force to maximize the amount of funding available to the County

from the various bond acts. Therefore, our Sacramento advocates will promote these general principles in the Special Session and use them to guide our advocacy efforts.

WATER SUPPLY LEGISLATION

There are five bills under consideration by the Senate as part of the Water Supply Special Session set for hearing in the Senate Natural Resources and Wildlife Committee on Monday, October 8, 2007. In addition, there are five bills under consideration by the Assembly. The Assembly held an informational hearing on October 4, 2007 to discuss some of the key issues being addressed in the Special Session.

Senate Bills

County-supported SB 2X 1 (Perata, Machado and Steinberg), as outlined in our Sacramento Update of September 20, 2007, would appropriate a total of \$611 million in bond funding from Proposition 1E (2006), Proposition 84 (2006) and Proposition 50 (2002) to the Department of Water Resources (DWR) and State Department of Public Health for a variety of water-related projects, particularly related to the Sacramento-San Joaquin Delta.

SB 2X 2 (Perata, Machado and Steinberg) would enact the Water Supply Reliability Bond Act of 2008 which would authorize the issuance of \$5.8 billion in bonds for water supply reliability and environmental restoration. **County Position: Support if Amended** (Please refer to the Pursuit of Position in Attachment I).

Our Sacramento advocates have advised that SB 2X 2 may be amended to increase the authorized amount of the bond, add categories and increase funding allocations for eligible projects, and make other technical changes. An analysis of the proposed amendments to SB 2X 2 will be reported in a future Sacramento Update.

SB 2X 3 (Cogdill and Ackerman), which is the Governor's proposal, would also enact the Water Supply Reliability Bond Act of 2008 at a bond issuance level of \$9.1 billion. The major difference in the amounts of the two bond measures (SB 2X 2 and SB 2X 3) is the inclusion of \$5.6 billion for water storage development projects, including the construction of three Northern California dams, in the Governor's version (SB 2X 3). **No County Position on the construction of new dams.** DPW advises that the operation of these facilities will have a positive impact on water quality in the Delta and help ensure future delivery.

SB 2X 4 (Cogdill and Villines), is similar to SB 2X 1 in content and would appropriate a total of \$553 million in bond funding from Proposition 1E (2006), Proposition 84 (2006), and Proposition 50 (2002) to DWR and State Department of Public Health for various water projects. **County Position: Support if Amended** (Please refer to the Pursuit of Position in Attachment I).

SB 2X 5 (Wiggins) was introduced on October 1, 2007 and would appropriate \$5.3 million of the \$45 million available from Proposition 84 (2006) to the Department of Fish and Game for coastal salmon and steelhead fishery restoration projects and the Coastal Salmonid Monitoring Plan. **No County position.**

Assembly Bills

AB 2X 1 (Laird), AB 2X 2 (Laird), and AB 2X 3 (Laird) are spot bills, as reported in the September 28, 2007 Sacramento Update, which currently state Legislative intent to: 1) enact a comprehensive delta sustainability, water reliability, and water quality general obligation bond act; 2) invest funding in programs and projects that improve the State's water supply and promote certain principles; and 3) review and adopt a comprehensive strategy to resolve issues of water supply reliability, ecosystem restoration, water quality, and levee system integrity. These are spot/concept bills. **No County position.**

AB 2X 4 (Villines) is identical to **SB 2X 4 (Cogdill)** which appropriates a total of \$553 million in bond funding from Proposition 1E (2006), Proposition 84 (2006), and Proposition 50 (2002) to DWR and State Department of Public Health. County position is pending. **County Position: Support if Amended** (Please refer to the Pursuit of Position in Attachment I).

AB 2X 5 (DeVore) would authorize the State Energy Resources Conservation and Development Commission to certify one new nuclear fission thermal reactor located at the site of an existing operating nuclear fission thermal power plant, if not less than 20 percent of the electricity generated by the reactor is dedicated to powering desalinization facilities to produce additional fresh water from salt water and the generating capacity of the reactor does not exceed 2,000 megawatts. **No County position.**

LOCAL AND REGIONAL WATER SUPPLY PROJECTS

The Department of Public Works (DPW) has identified projects that are consistent with criteria described in the competitive grant programs addressed in the Water Supply Special Session legislation. Examples of projects include:

Water Recycling and Groundwater Recharge

The **Antelope Valley Recycled Water Project (Phase 2)** is one phase of the Los Angeles/Kern County Regional Recycled Water Project, and is jointly proposed by the Los Angeles County Waterworks District No. 40, the Cities of Palmdale and Lancaster, and the Los Angeles County Sanitation District (LACSD). The Los Angeles/Kern County Regional Recycled Water Project outlines a foundation of a regional recycled water system in the Antelope Valley. The proposed system would distribute recycled water throughout the service area and provide the necessary infrastructure that could accommodate minimum and maximum demands and allow significant deliveries of recycled water to direct use and potential recharge areas. The recommended plan's placement of the system components is based on an analysis of the service area demands, topography, and desired operating pressures.

The **Groundwater Recharge Using Recycled Water Pilot Project** would build upon the regional recycled water project and LACSD projects. The pilot program would recharge a blend of stormwater and recycled water from the Lancaster Water Reclamation Plant. A supplemental blend supply (local groundwater, raw imported water or treated imported water) would likely be needed. Under the current proposal, recharge would occur at the City-proposed 100-acre stormwater basin at 60th Street West and Avenue F in Lancaster. Up to 2,500 Acre Feet (AF) of water would be recharged annually, including 500 AF of recycled water. The recharged water would be pumped to serve either non-potable uses or municipal and industrial uses, after an initial monitoring phase is complete.

Integrated Regional Water Management Plans

Los Angeles County is divided among three integrated regional water management (IRWM) areas. Each IRWM is responsible for developing plans that include projects that benefit the respective region. The IRWM Plan for Greater Los Angeles County, for example, includes proposed projects within the following sub-regions: Lower San Gabriel and Los Angeles River Watershed, North Santa Monica Bay Watershed, South Bay Watershed, Upper Los Angeles River Watershed, Upper San Gabriel River and Rio Hondo Watersheds. In addition, there are regional projects that fall within multiple or all of the sub-regions.

Projects considered by the IRWM provide benefits related to programs being addressed in the Water Supply Special Session including water supply, water quality, and infrastructure repair and replacement. A portion of the projects considered by the IRWM would provide benefits to two or more of these categories. A review of 2,000 water supply and water quality projects for the Greater Los Angeles Integrated Regional Water Management area suggests that completion of such projects would yield:

Each Supervisor
October 5, 2007
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Water Supply Projects

Annual yield of water supply in acre-feet: 245,000

Water Quality

Treatment capacity of projects: 36,520,000 million gallons per day

Each IRWM is responsible for prioritizing its projects. Additional information on specific projects will be provided in a future update.

Master Bill List

A roster containing the status of all special session water supply bills with a County advocacy position is included in Attachment II.

We will continue to keep you advised.

WTF:GK
MAL:IGA:hg

c: All Department Heads
Legislative Strategist
Local 721
Coalition of County Unions
California Contract Cities Association
Independent Cities Association
League of California Cities
City Managers Associations
Buddy Program Participants

Pursuit of County Position on Water Supply Legislation

SB 2X 2 (Perata, Machado and Steinberg), as introduced on September 19, 2007 would enact the Water Supply Reliability Bond Act of 2008 which would authorize the issuance of \$5.8 billion in bonds for water supply reliability and environmental restoration if passed by the voters on February 5, 2008 as part of the Statewide Presidential primary election. As an urgency measure and bond measure, this bill requires a two-thirds vote of both houses of the Legislature, but does not require approval from the Governor.

SB 2X 2 allocates a total of \$2.4 billion for Delta sustainability, of which \$1 billion is dedicated for projects that address water quality, water flow, protection of transportation and other vital infrastructure in and around the Delta, and for levees and disaster preparedness to ensure that urban and agricultural water supplies derived from the Delta are not disrupted because of failure of Delta levees resulting from earthquakes, floods, or other forces. The remaining \$1.4 billion of the \$2.4 billion for Delta sustainability is allocated to the Bay Delta Conservation Plan, ecosystem, and greenhouse gas reduction.

The bill sets aside \$2 billion in bond proceeds for competitive grants for water supply reliability to eligible projects that are consistent with an adopted Integrated Regional Water Management (IRWM) plan. A total of \$1.6 billion in funds would be distributed among 11 hydrologic regions and sub-regions identified in the California Water Plan. An additional \$400 million is set aside for an "Interregional" category to be expended directly or granted by DWR to address multiregional needs or Statewide priorities.

Of the \$1.6 billion allocated directly to hydrologic regions, \$369 million is allocated for the Los Angeles sub-region which includes Ventura County. This amount represents only 23 percent of the direct allocation (18 percent of the total \$2 billion categorical allocation). A population-based approach would yield the Los Angeles region approximately \$448 million of the amount allocated directly to hydrologic regions.

This bill also includes \$1 billion for resources stewardship and environmental restoration for expenses and grants for ecosystem restoration, urban watershed, and stormwater management. Thirteen watersheds, including the Los Angeles and San Gabriel River watersheds are listed under this section as eligible to receive funding. In an effort to further clarify eligibility, the following watersheds would need to be included in the bill: Santa Monica Bay, Dominguez Channel, Ballona Creek, Santa Clara River, and Antelope Valley Watersheds.

SB 2X 2 also includes \$400 million for expenditures, grants, and loans for projects to prevent or reduce the contamination of groundwater that serves as a source of drinking water to be made available for projects necessary to protect public health by preventing or reducing the contamination of groundwater that serves as a major source of drinking water for a community.

Overall, the County's Water Supply Policy Principles support many of the programs and concepts contained in SB 2X 2. However, the existing methodology to allocate funds among the hydrologic regions is not consistent with the principle of **Equitable Allocation Criteria for Regional Projects**. Since this is a Statewide bond measure, funds to be distributed to hydrologic regions should be allocated on a population basis to ensure an equitable allocation.

In addition, SB 2X 2 could benefit from technical amendments that would redefine the meaning of "integrated regional water management plan" in the bill from "defined geographic area" to "recognized hydrologic Integrated Regional Water Management areas."

SB 2X 2 would be consistent with County policy and principles if amended to: 1) provide for a population-based allocation for funds allocated directly to hydrologic regions and watersheds; 2) further clarify the funds allocated for water reliability projects in the Interregional category to provide for equitable allocation criteria; 3) redefine the meaning of integrated regional water management plan to recognized hydrologic Integrated Regional Water Management areas; 4) and add the Santa Monica Bay, Dominguez Channel, Ballona Creek, Santa Clara River, and Antelope Valley Watersheds to the list of watersheds eligible for funding included in the bill. **Therefore, our Sacramento advocates will support SB 2X 2, if amended as indicated above.**

This measure is set for hearing in the Senate Natural Resources and Water Committee on Monday, October 8, 2007. Support and opposition to this measure is currently unknown.

Our Sacramento advocates have advised that SB 2X 2 may be amended to increase the authorized amount of the bond, add categories and increase funding allocations for eligible projects, and make other technical changes. An analysis of the proposed amendments to SB 2X 2 will be reported in a future Sacramento Update.

SB 2X 4 (Cogdill) and AB 2X 4 (Villines), which are identical bills, would appropriate a total of \$553 million in bond funding from Proposition 1E (2006), Proposition 84 (2006), and Proposition 50 (2002) to the Department of Water Resources (DWR) and State Department of Public Health (SDPH) for a variety of water projects, particularly related to the Sacramento-San Joaquin Delta.

Specifically, these bills appropriate money for the following purposes:

Funding provided to DWR:

- \$150 million for stormwater flood management project grants;
- \$40 million for planning grants and local groundwater assistance grants;
- \$50 million for projects to relocate existing Sacramento-San Joaquin Delta water intake facilities;

- \$80 million to increase the department's ability to respond to levee breaches and to reduce the potential for levee failure;
- \$100 million for the acquisition, preservation, protection, and restoration of Sacramento-San Joaquin Delta islands;
- \$12 million to complete planning and feasibility studies associated with new surface storage under the California Bay-Delta Program;
- \$15 million for planning and feasibility studies to identify potential options for the reoperation of the State's flood protection and water supply systems;
- \$10 million to update the California Water Plan; and
- \$3.49 million for planning and feasibility studies associated with surface storage under the California Bay-Delta Program (Prop 50).

Funding provide to SDPH:

- \$27.15 million for grants and loans for small community drinking water system infrastructure improvements; and
- \$50 million for grants for projects to prevent or reduce groundwater contamination that serves as a source of drinking water.

Other allocations:

- \$15 million for San Francisco Bay/Sacramento-San Joaquin Delta planning.

The County Department of Public Health indicates that its Environmental Health Unit regulates "small water systems" that entail less than 30 connections. Problems with these systems occur when the water is contaminated with bacteria or when other contaminants or chemicals are present. The allocation for grants and loans for small community drinking water systems could provide an opportunity for grants to the operators of these systems to install new pumps, filters or other infrastructure. The allocation for groundwater contamination could conceivably be used to address remediation of various contaminants which threaten groundwater from old manufacturing plants.

These two bills are similar to County-supported SB 2X 1 (Perata, Machado and Steinberg), which would appropriate a total of \$611 million in bond funding from the voter-approved Propositions listed above. However, there are some differences as well. The two bills included above appropriate a different overall amount of voter-approved bond funds than County-supported SB 2X 1, and the amount of funding for specified categories, as well as the categories themselves, are different in some instances. The amounts for the two SDPH grant and loan programs allocated in AB 2X 4 and SB 2X 4 (\$27.15 million and \$50 million) are lower than the amounts allocated in County-supported SB 2X1 (\$50 million and \$50.4 million). AB 2X 4 and SB 2X 4 should be amended to provide grant and loan funding through SDPH at the same level prescribed in SB 2X 1.

Of particular importance to the Department of Public Works (DPW) is the \$150 million to DWR for stormwater flood management project grants. In County-supported SB 2X 1, there is specific language which greatly increases the likelihood that the Big Tujunga

Dam would receive funding from the \$150 million for stormwater flood management project grants. In that bill, "at least \$100 million of the \$150 million must be available for projects that address immediate public health and safety needs and strengthen existing flood control facilities to address seismic safety issues." However, DPW indicates that this language is missing in SB 2X 4 and AB 2X 4. DPW supports SB 2X 4 and AB 2X 4, if amended to add this language.

Support for SB 2X 4 and AB 2X 4 is consistent with existing County policy to: 1) support proposals which promote environmentally-friendly flood control improvements and projects, and do not diminish the performance of flood control systems; and 2) support legislation to encourage water conservation and increase the efficiency of water use. **Therefore, our Sacramento advocates will support SB 2X 4 and AB 2X 4, if amended as indicated above.**

Support and opposition to these bills is currently unknown. SB 2X 4 is set for hearing on October 8, 2007 in the Senate Natural Resources and Water Committee. AB 2X 4 is currently at the Assembly Desk awaiting referral to a policy committee.

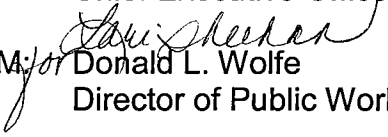
**COUNTY OF LOS ANGELES - CHIEF EXECUTIVE OFFICE
STATUS OF BILLS OF INTEREST TO THE COUNTY
2007-08 SECOND EXTRAORDINARY LEGISLATIVE SESSION ON
WATER SUPPLY AND RELIABILITY**

These are bills we have pursued in Sacramento pursuant to Board actions or as reported in bill policy memoranda.

<u>BILL</u>	<u>AUTHOR</u>	<u>POSITION</u>	<u>SUBJECT</u>	<u>STATUS</u>
AB 2X 4	Villines	Support if Amended Update: 10/5/07	Would appropriate a total of \$553 million in bond funding from Proposition 1E (2006), Proposition 84 (2006), and Proposition 50 (2002) to the Department of Water Resources for a variety of water projects, particularly related to the Sacramento-San Joaquin Delta.	Assembly Desk
SB 2X 1	Perata	Support (State Update: 9/20/07)	Would appropriate a total of \$610.9 million in funding from Proposition 1E (The Disaster Preparedness and Flood Prevention Bond Act of 2006), Proposition 84 (The Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Act of 2006) and Proposition 50 (The Water Security, Clean Drinking Water, Coastal and Beach Protection Act of 2002) to the Department of Water Resources and the State Department of Public Health for a variety of water projects, particularly related to the Sacramento-San Joaquin Delta.	Senate Natural Resources and Water
SB 2X 2	Perata, Machado, Steinberg	Support if Amended Update: 10/5/07	Would enact the Water Supply Reliability Bond Act of 2008 which would authorize the issuance of \$5.8 billion in bonds for water supply reliability and environmental restoration if passed by the voters on February 5, 2008 as part of the statewide Presidential primary election. Urgency measure.	Senate Natural Resources and Water
SB 2X 4	Cogdill	Support if Amended Update: 10/5/07	Would appropriate a total of \$553 million in bond funding from Proposition 1E (2006), Proposition 84 (2006), and Proposition 50 (2002) to the Department of Water Resources for a variety of water projects, particularly related to the Sacramento-San Joaquin Delta.	Senate Natural Resources and Water

October 11, 2007

TO: William T Fujioka
Chief Executive Officer

FROM:  Donald L. Wolfe
Director of Public Works

**REPORT ON WATER CONSERVATION MEASURES
AGENDA OF OCTOBER 16, 2007, ITEM 47**

In the second part of his October 9, 2007, motion concerning water supply, Supervisor Antonovich directed the Director of Public Works to report on water conservation measures being implemented or considered by the County, particularly in the Waterworks Districts, and to identify measures the public can take to reduce consumption.

My verbal report to the Board of Supervisors will be based on highlights from the following, more comprehensive information.

Potential Impact of State Water Project Curtailment on the Waterworks Districts

Reduction in deliveries of State Water Project water due to environmental issues, drought, or other causes will generally translate into having to purchase much more expensive supplemental water, leading to possible rate increases. If supplemental water cannot be found, other consequences may include having to require customers to cut back their use and denying new water service connections. However, the timing and extent of these impacts will vary among the Districts, depending on the water supplier of imported water for any given District.

The greatest impact to the Los Angeles County Waterworks Districts would be felt by the largest, District 40, in the Antelope Valley. District 40 serves approximately 54,000 connections, which translates into services to an estimated 165,000 people. District 40 is the only Los Angeles County Waterworks District that is located within an area with significant large-scale new development that would materially impact its future water demand. District 40 is a water retailer that obtains its imported water supplies from the State Water Project through the Antelope Valley-East Kern Water Agency (AVEK). Due to the recent federal court ruling on Delta pumping, AVEK has been unable to confirm that it will be able to deliver water supplies for any future projects within District 40's service area. This may impact the District's ability to provide "will serve" and water supply assessment letters to new developments.

District 29 serves the City of Malibu, Marina del Rey, and unincorporated Topanga with approximately 7,700 connections for an area with about 21,000 people. District 29 receives all its water from the Metropolitan Water District of Southern California (Met)

through the West Basin Municipal Water District. Although Met obtains a significant amount of its water from the State Water Project, Met is the largest of the State Water Contractors and has established large reservoirs and potential alternative supplies that make it less vulnerable to the fluctuations of the State Water Project. Therefore, current curtailments are not expected to have a significant immediate effect upon District 29's water supplies.

District 36, Val Verde, obtains its imported water from the Castaic Lake Water Agency, itself a State Water Contractor. District 36 has approximately 1,200 connections and serves an estimated 5,000 people. Like Met, Castaic has also been able to establish alternative water supplies and storage so that the effects of curtailment on District 36 are expected to be less immediate than those to District 40.

District 37, Acton, is served by AVEK and has approximately 1,350 connections for an area with an estimated 4,200 people. District 37 is expected to be subject to the potential price increases and possible imported water shortages that District 40 might experience. However, unlike within District 40, no significant new growth is expected in District 37.

Last, District 21 gets its imported water from the City of Glendale through the City of Los Angeles Department of Water and Power (DWP) and has 250 connections for approximately 1,000 people. DWP obtains its water from multiple sources other than the State Water Project and therefore is expected to be the least impacted of the Districts.

Status of Countywide Water Conservation Measures

On a daily basis, Pubic Works is engaged in multiple Countywide water conservation measures including :

- Operation of 26 spreading grounds in the Los Angeles Basin that allow the percolation of stormwater runoff, imported water, and recycled water to underground aquifers, conserving an average of 280,000 acre-feet of water annually, an amount that is enough to sustain 560,000 families for one year.
- Operation of three seawater barrier projects along the coastline to protect and conserve coastal groundwater aquifers from seawater intrusion.
- Management of an intensive water conservation program for five County Waterworks Districts. (See Waterworks District details)
- Implementation of watershed management practices that include retaining stormwater flows and minimizing impervious surfaces to maximize groundwater

basin recharge throughout the Los Angeles County Flood Control District. Examples of such projects include the Sun Valley Park and Tuxford Green Multiuse projects.

- Preparation of three Integrated Regional Water Management Plans (Antelope Valley; Los Angeles Basin; Santa Clara River) identifying and prioritizing projects that address water supply, water conservation, water quality, flood control, environmental resources, and planning for the next 20 to 30 years.
- Establishment of the County Office of Water Recycling on July 1, 2007, to increase the amount of recycled water used within the County. The Office is working in partnership with Parks and Recreation Department and Internal Services Department to retrofit them to irrigate with recycled water. County facilities currently using recycled water for landscape irrigation include:

- Bonelli Regional County Park
- Schabarum Regional County Park
- Vector Control Offices in Santa Fe Springs
- County Library in Norwalk
- County Records Office in Norwalk

Planning is currently underway to convert the following facilities:

- Alondra Park and Golf Course
- Victoria Park

The goals for the Office are to convert all County facilities to irrigating with recycled water, where it is available, by 2020 and to double current recycled water usage within the County by 2030.

Status of Los Angeles County Waterworks District Water Conservation Measures

- Became a signatory to the California Urban Water Conservation Council's Memorandum of Understanding regarding Urban Water Conservation in California (MOU) in April 1996, and we have implemented Best Management Practices that have resulted in a significant water conservation over the years.
- Established a Phased Water Conservation Plan, adopted by the Board of Supervisors on May 23, 1991, that can be implemented for a severe water shortage to reduce customer demands by up to 40 percent in 10 percent increments.

- Initiated a Free Water Use Onsite Evaluation Program for the Los Angeles County Waterworks Districts' residential, commercial, industrial, institutional, and large-landscape customers to identify opportunities for water conservation. Since last year we have completed 2,500 onsite evaluations.
- Implemented tiered-water rate structures for Waterworks District Nos. 40, Antelope Valley, and 29, Malibu and the Marina del Rey Water System (95 percent of the Districts' customers) to encourage water conservation.
- Initiated a public education program that included: 954 television ads, 315 radio announcements, 7 newspaper ads, 2 billboards, a movie theatre ad, regular press releases that resulted in 36 local newspaper articles, a press conference with the Home Depot and Antelope Valley Resource Conservation District to feature a special display of water-saving native plants for sale at the Home Depot in Lancaster, publication of quarterly newsletters (*Splash*) sent to all the Districts' customers since 2005, establishment of a website with water conservation information that receives 300 hits per month, and participation in multiple public events.
- Implemented a State-permitted Aquifer Storage and Recovery groundwater basin recharge program to inject up to 6,800 acre-feet of surplus treated State Water Project water annually.
- Conserved up to 5,000 acre-feet of groundwater annually by maximizing the use of imported State Water Project water.
- Established fees for recycled water and groundwater basin banking for new development.
- Completed a Facilities Planning Report for a 38-mile recycled water backbone system and initiated preparation of environmental documents for the system.
- Participated in the construction of approximately four miles of 24-inch-diameter recycled water line in partnership with the City of Lancaster
- Participated with the Cities of Lancaster and Palmdale to explore the use of recycled water for groundwater basin recharge.
- Negotiated a recycled water purchase agreement with the County Sanitation Districts of Los Angeles County.
- Implemented a Water Wasting Advisory Notice Program to encourage compliance.
- Participated in the establishment of the Antelope Valley Water Conservation Coalition that includes the Cities of Lancaster and Palmdale, Antelope Valley-East Kern Water Agency, Antelope Valley Building Industry Association, and other interested parties to coordinate water conservation practices.

Proposed Water Conservation Measures

- Preparing an ordinance to reduce water use for new development using Best Management Practices and native, drought-tolerant vegetation.
- Establishing rules and regulations requiring use of recycled water when available.
- Evaluating a rebate program for high efficiency clothes washers, shade trees, native vegetation, and “smart” irrigation controllers.
- Developing public-private partnership with Antelope Valley College for landscaper training using Metropolitan Water District’s California Friendly Gardener Training Program.

Conservation Tips for the Public to Reduce Water Conservation

The following 10 easy tips will provide the greatest water savings for residents.

1. **Shorten your watering cycle.** Up to 70 percent of residential water use goes to maintaining our yards. Taking one minute off a ten-minute cycle saves ten percent!
2. **Check your sprinkler system.** Do a weekly check for broken or clogged sprinkler heads and replace them right away. Make sure you are watering your yard and not the driveway or sidewalk.
3. **Fix those leaks.** Just a drip can waste more than 10,000 gallons per month. A leaking flapper on a toilet wastes many gallons of water and also increases flows at the water treatment plant.
4. **Plant native species or drought-tolerant plants.** Many of the lawns and plants we use are not intended for the unique climate in Southern California.
5. **Use a broom instead of a hose.** Sweeping up rather than hosing off leaves or grass clippings not only saves water, it reduces runoff.
6. **Get an adjustable hose nozzle for outdoor use.** That way you can adjust the spray to meet your needs. A hose running for five minutes uses the same amount of water as a 20-minute shower.

7. **Eliminate runoff.** Runoff could mean your lawn needs aeration. When you aerate your lawn, you give the water somewhere to go besides down the storm drain.
8. **Take shorter showers.** Cutting two minutes off your shower time can save 600 gallons a month for a family of four. If you change the showerhead to a water efficient model, you could save even more.
9. **Turn off the water** while you brush your teeth or shave.
10. **Wash only full loads of laundry and dishes.** Waiting until you have a full load can save you up to 20 gallons for the same amount of clean clothes.

DLW:dh